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# The weakest link: creative industries, flagship cultural projects and regeneration

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## Abstract

The role of cultural regeneration as means of social and economic development has been a widely investigated yet controversial topic. This paper focuses on a specific research question within the wider literature in the field: What is the relationship between regeneration, in particular flagships cultural projects, and the creative industries?

Part of the argument behind cultural regeneration and public investment in flagship buildings and new cultural institutions in Europe is that they will foster the economic development of the city, not only in

terms of tourism development but also supporting the growth of the creative industries. Nevertheless, little research has addressed what are the real dynamics linking public investments in culture and regeneration and the potential development of local creative industries. Somehow, this connection has been taken for granted and in many policy document there is the assumption that flagship investments and regeneration will encourage and support local creative industries.

The paper presents the result of a two year fieldwork undertaken in the context of Newcastle-Gateshead and the North-East region of England. The paper presents the result of the interviews conducted with local creative and cultural producers and highlights the weak connection between local practitioners and local cultural flagship developments in the region. Finally it calls for reconsideration by public policy of the importance of reconnecting creative industries and cultural regeneration to explore the real potential of this relationship.

## **Introduction**

Culture-led regeneration projects, particularly so-called 'flagship cultural developments' in Europe have received a great deal of attention in the literature in the last decade (Evans, 2009; Jensen, 2007). One of the more articulated aspects of this development is on the perceived upgrade to the image and 'brand' of the city (Bailey, Miles, & Stark, 2004; Chapain & Comunian, 2009; Evans, 2003; Miles, 2005; Richards & Wilson, 2004). While often arguing that there is a generally positive role played by cultural-led regeneration and flagship cultural projects on the local economy, many authors have considered the limited reach of this impact on local communities from a cultural or social perspective (Ettlinger, 2010; García, 2004). Moreover, and of concern for this paper, is that even much less attention has been given to the impact of flagship development projects on the local creative and cultural practitioners and their economic productivity. This link is often assumed to be positive, but very rarely is a causal mechanism interrogated (cf. Landry, 2000; Montgomery, 2003). Hence, this paper explores a key issue within this broader debate: what is the *relationship* between public sector-led cultural flagship projects and the local creative industries? This will be asked in specific relation to the area of North East of England. In addition, the paper suggests that there is a lot of wishful thinking surrounding this assumed relationship and public policy (in the guise of financial and political capital) often puts pressure towards seeing flagship cultural developments less as a cultural investment but as an economic investment in the creative industries. However, what takes place in many UK cities (the research arena focus of this paper) is very different. In relation to this policy pressure, the article specifically takes into consideration the publication, "Publicly-funded culture and the creative industries" (Holden, 2007) published by Demos in 2007, as a reference point on the kind of assumptions that are taken for granted in the relationship between creative industries and flagships cultural developments, as it was one of the preliminary and fundamental reports that informed creative industry

and cultural policy debates; and while many of its components and assertions have been questioned, it remains part of the public policy narrative.

This paper does not deny that cultural flagship developments and creative industries are part both part of local arts ecology (Markusen, 2010) and therefore they are involved in a complex set of reinforcing relations (Comunian, 2011). However, it questions the fact that often local creative industries particularly small scale SMEs and freelance operations are rarely considered in flagship cultural development and therefore, the impact and support that creative industries receive from this infrastructural investment remains limited; something which runs counter to a common public policy assumption. In order to explore this imbalance, the paper is structured in three parts. First, a review of the literature on culture-led regeneration and specifically its relation to the creative industries is presented. Within this literature, key policy documents are considered and key assumptions about the relationship between creative industries and publically funded cultural organisations are outlined, particularly focusing on Holden's (2007) influential work. The second part of paper presents the methodology of the research and the case study of the North East of the UK, specifically the culture-led regeneration of Newcastle-Gateshead. The discussion of key findings and results follow in the third part. Conclusions and policy implications are then drawn and future research suggested.

### **Flagship cultural project, regeneration and economic development**

There has been a strong history of literature that deals with the issue of how regeneration affects the (mainly Western) urban landscape, who the actors are and who benefits from these interventions (Bianchini & Parkinson, 1993; Evans & Shaw, 2004; Griffiths, 1995). Within these discussions there are different forms of regeneration outlined, which involve different aspects of the urban environment and economy (see Sacco et al., 2013 for a detailed critique of the causal explanations of culture-led development). Evans and Shaw (2004) specifically articulate different approaches to culture regeneration and highlight the importance (to urban policies at least) of flagship developments within a cultural context. Defined as "large-scale, iconic museums and arts centres that are intended to enhance the city image while catalyzing private sector investment and attracting tourists to the surrounding area" (Grodach, 2008, p. 195), flagship cultural developments have been used in different cities and this concept remains rather fluid as the kind of developments taking place can be very different. Perhaps the most recognised example within the literature of such a development is the Guggenheim Museum in Bilbao that opened in 1997. It is often highlighted as a good example of how a singular arts and culture development has been used for wealth generating purposes; the so-called 'Guggenheim effect' (Plaza et al., 2009; Scott, 2006). The perceived success of the Bilbao example, it has been stressed, is predicated upon its situation and local

reflexivity – it worked in that place at that time (Plaza et al., 2009). This has not put off other cities attempting to repeat the success of Bilbao. In the UK for example, the latter decades of the twentieth century, development of cultural quarters (CQs) became popular, a policy initiative that has continued to this day. As such, they are now proliferating across cities in the Global North (particularly in the UK and Western Europe), but in many cases, they are based on a single ‘flagship’ development. Examples (from the UK) include CQs in Sheffield (based around the National Center for Popular Music) and Leicester (based around a large performing arts unit called ‘Curve’). Often in collusion with property contractors and urban consultant companies, urban governments isolate an area of the city that needs upgrading and engage upon a wholesale ‘rebranding’ process around a major flagship investment. Frequently designed by an famous architect (or ‘starhitect’ as they have come to be known) to be iconic, perhaps even a little bombastic, these flagship projects, it is assumed (or, as this paper will show, based on fallacious information) will stimulate cultural production and allow consumption activity to proliferate (Evans, 2003). Also, these flagship interventions can be part of much larger policy initiatives, such as for example the hosting of the European City of Cultural title (Campbell, 2011).

However, as highlighted by Garcia (2005) often the *real* legacy of such large-scale flagship interventions is more to do with image and city re-branding, that structural economic and cultural changes. In many cases, the initial ‘boost’ they can give to the outward image of a city is perhaps of more importance to the short-term benefits required of them, than the middle to long-term processes of causing local creative industry production to increase. However, local creative practitioners recognise that the improved image of a city can have a beneficial impact on their business; it is easier to associate an SME or freelancer with a cultural city than non-cultural city (however that is branded). But aside from such an association, it seems that there is no particular attention or specific initiative that aims to link the presence of a large cultural institution (or indeed, the awarding of a cultural city title) with creating value for the local creative economy (Campbell, 2011). However, despite these concerns, it seems possible for a positive relationship between a flagship institution and the growth and development of small-scale creative industry activity. Practices such as the promotion of local producers, the commissioning of creative work, directing visitors to smaller workshops; these initiatives can all help in creating a direct causal link. However the occurrence of such activities, given the examples and research conducted thus far in the literature, seem to be few and far between. Another important question posed by the literature on artistic communities and their link to regeneration refers to the dynamics of gentrification and displacement (Zukin, 1985) often cause by tourism (Gotham, 2002) and culture-led rebranding of specific areas of the city (Richard, 2002) .

Questioning the apparent disconnection between the creative economy and flagship institutions can help us to deconstruct a discourse fuelled by ‘fast-urban policy’ (Peck, 2005) about what a ‘culturally branded’

city can do for local creative industry practitioners. Rather than taking for granted that large cultural investments and bestowed cultural titles helps local creative industries, it is important to consider the mechanisms that lead to positive outcomes, and verify and evaluate that these benefits are experienced, not merely theorised. Indeed, as Peck (2005, p. 749) notes, “investments in the ‘soft infrastructure’ of the arts and culture are easy to make [...] the creativity script easily translates into certain forms of municipal action. Whether or not this will stimulate creative economic growth, however, is quite another matter.” This is endemic of the paucity of research addressing the experienced causal dynamics linking public investments in culture and regeneration and the potential development of local creative industries.

In sum, there is a general consensus within the literature that cultural regeneration based around a flagship project (or anchor institution) is *assumed* to generate economic activity within the creative economy, and in some cases, there is empirical evidence to support this. However, too often this assumption is not interrogated (Plaza et al., 2009), and as such the causal mechanisms remain elusive. This is in part due to political pressure and rhetoric that pushes through cultural regeneration – which will be detailed in the next section.

### **Flagship cultural regeneration, policy and advocacy**

Alongside the investment in cultural regeneration throughout Europe, policy makers in different areas have felt the pressure to underline the positive impact of investment in culture. Usually the positive outcomes of cultural regeneration are highlighted in reference to community cohesion and social improvements, but very often the economic impact is also promoted. But, as many authors have highlighted, evidence to support the overall optimistic perspective on the impact of culture-led regeneration remains vague (Belfiore, 2002, 2009; Merli, 2002). Our focus in this paper however is not on the broad impact of culture-led regeneration, but more specifically on its impact and potential positive externalities on the creative and cultural industries.

From a policy perspective it is not surprising to see the creative industries (and its practitioners) as part of the creative economy ecology – benefiting from the public investment that was delivered during the New Labour government (1997-2007) to local culture-led regeneration all over the UK. However, this new policy framework has since become part of new broader European cultural policy discourse (EC, 1998, 2010). This policy perspective is very strongly embedded in the advocacy work of Holden (2007) entitled “Publically Funded Culture and the Creative Industries”. In the document Holden (2007) articulates very broadly all the potential interconnections and collaborations which can be established between creative industries and public culture (including public funding and agencies for culture). The agenda of this research – directly

supported by the Arts Council of England – is of course strongly driven by the need to prove the effective impact of public funding on the creative sector, therefore positive case studies (with no discussion on the methodology used to select the case studies) are used to illustrate these interconnections. No criticality or problems are identified in this possible connection however the conclusion leaves the debate open; “The relationship between funded culture and the creative industries is sometimes simple, sometimes complex; and certainly one that is not yet adequately understood, and one where a better understanding would, as this paper concludes, offer much learning to the development of policies both for the creative industries and for the arts” (Holden, 2007, p 3). This paper intervenes in this area and presents contrasting views about the relation between creative industries and flagship cultural regeneration in the context of Newcastle-Gateshead.

Holden (2007) rightly highlights the complex ecologies and interrelation however he specifically focuses on the positive reinforcement coming from an on-going interaction between publicly funded cultural organisation and the creative industries. In this document, there is a great deal of confusion also between publicly funded cultural activities (a gallery or a theatre for example) and publicly funded organisations which support cultural activities (Arts Council, regional screen agencies and so on). While the connections with the former have been under-investigated and are relevant to our paper, the interconnections with the latter have been discussed in many academic works and clearly fall within a more general economic policy intervention in the creative industries (Chapain & Comunian, 2010).

Table 1 summarises the key headings of Holden (2007), but a further analysis of his work points towards the positive externalities generated by flagship cultural investment relates to six main headings:

- 1) The **local embeddedness** argument that sees creative industries part of a **local ecology of creativity**. This ecology (both private and publically based) can impact also on the critical mass of cultural and creative activities present in a city (linking with issue of image and attractiveness of a specific location that can be found in the broader literature (Florida, 2002)).
- 2) The **brokerage, networking argument** aims to present publically funded cultural institutions as key in local networks and eager to act as broker for the creative industries. These arguments are not specifically proven within the literature and seem to ignore possible issues of competition between public and private organisations in the creative economy.
- 3) The **employment and commissioning argument** is presented here in a positive light. Of course the literature acknowledges that creative employment is often freelance and based on short-term contracts (Blair, 2003; McRobbie, 2002), therefore there is an obvious connection with public sector organisation between part of the companies able to tap into local creative knowledge pools.

However, the argument should be linked to the characteristics and quality of employment opportunities offered, not on pure attributes.

- 4) The **supply-chain and market relationship argument** is probably the one that is mostly taken for granted and under-explored in the literature. In particular, it highlights the critical overlap of activities and markets between local arts organisations for example such as museums and private galleries. However, Holden (2007) still considers in more detail possible landscapes of cooperation rather than question also issues of competition and contrast between the two public and private side of the creative economy.
- 5) Some of the arguments are also more broadly linked to **a general economic intervention of the public sector in the creative economy**. While the issue and argument for public investment in the arts are not the focus of this paper, it creates confusion between the argument of support based on artistic merits and the argument of support in reference to economic development which has speaks to some of the critiques of the ‘creative industries’ (Galloway & Dunlop, 2007; Garnham, 2005). The assumption that the public sector is here seen also as a testing ground for new business models is quite interesting but questionable in policy practice. Indeed, the negative impact of the confusion created by the DCMS between the cultural sector and creative industries has been highlighted; “the difference is important, not just for a realistic accounting of economic growth, but also to make the proper case for the arts, apart from their ability to make losses or profits” (Heartfield, 2005, p.11).
- 6) Finally there is a broader and more complicated argument for **inspiration, resources and memory** to be key to the connection between public and private in the creative economy. While these arguments are linked to very intangible values, it can be questioned how they are specific to the creative economy as it can be argue they might have important meanings also for other industries and the general communities.

Table 1: Summary of the connections between Publically Funded Culture and the Creative Industries according to Holden (2007) arranged within broader arguments (author’s own elaboration).

Overall argument	Holden (2007) Simple Connections & Complex ecologies (in bold)
1) Local Embeddedness / Ecology	<ul style="list-style-type: none"> <li>Publicly-funded activities are themselves part of the creative industries</li> <li>Symbiotic relationship between the public and the private sector</li> <li>People employed in public sector organisation are also employed ad-hoc in the wider creative industries</li> <li><b>Publicly-funded culture acting as an attractor for creative businesses</b></li> </ul>
2) Brokerage, networking & models	<ul style="list-style-type: none"> <li>Publicly-funded cultural organisations act as a broker</li> <li>Arts centres and museums provide spaces for networking</li> </ul>
3) Employment and	<ul style="list-style-type: none"> <li>Publicly-funded culture provide direct employment to commercial</li> </ul>



commissioning	organisations <ul style="list-style-type: none"> <li>Publicly-funded cultural organisations act as a source of legitimacy for emerging creative talent and creative industries product</li> <li>Publicly-funded organisations have education departments</li> </ul>
4) Supply-chain & market relationships	<ul style="list-style-type: none"> <li>Direct connection between subsidised theatre and successful film</li> <li>Publicly-funded theatre a locus for experiment that sometimes translate directly into commercial culture</li> <li>Cultural organisation create markets for the creative industries</li> </ul>
5) General economic interventions arguments	<ul style="list-style-type: none"> <li>Public agencies fund, commission and facilitate work within the creative industries</li> <li>Public funds provide seed-money and spaces for emerging talent</li> <li><b>Public culture as a model for practices and organisational forms within the creative economy</b></li> </ul>
6) Inspirational / Memory / Images	<ul style="list-style-type: none"> <li>Museums and galleries are hugely important resources for designers, inventors and scientist</li> <li>The creative industries need a memory resource</li> <li><b>Public culture as an essential element in the life of creative cities and creative communities</b></li> <li><b>Public culture as a resource for, and a shaper of, creative workers and citizens</b></li> </ul>

Following the broader arguments presented by Holden (2007) and building on the key contradictions identified by Campbell (2011) on the relationship between creative industries development and flagship development, it is possible to summarise the key (assumed) causal relations linking the positive impact of culture-led regeneration under three categories:

- 1) **Image based:** the positive, creative association of the image of a place with the image of its companies and cultural producers (linked to the more broad literature on the link between place branding and product branding (Molotch, 2002)
- 2) **Career and Supply chain:** investing in public sector arts and cultural development determine a further grow of the private sector that gets commissioned work or is directly employed by those public organisations;
- 3) **Network, learning and knowledge:** the investment in public sector cultural infrastructure enhances the knowledge and networks of the locale, therefore creating positive externalities for other local organisations.

To summarise, against a positive picture portrayed by policy discussions and advocacy, we find that academic literature is far more cautious in aligning public funded cultural interventions within the creative industries. Selwood (2002, p. xivi) underlines how “spokespeople are, however, prone to blur the distinctions between the one and the other, not least in the context of advocacy. Indeed, there is political mileage to be gained in highlighting the relationship between the two sectors. But, it is also the case that

the relationship is far from easy". Significantly, the limited research available, such as Bontje and Musterd (2009, p.850) highlights "the tensions between 'commercial' and 'non-commercial' activities were seen as particularly problematic by many of the experts interviewed". The results and discussions that follow in this paper aim to clarify further some of these dynamics and tensions in relation to a specific case study of the North East of England.

## **Exposing the Structural Gap – The case of the North-East, UK**

### *Introduction and policy context*

The North-East region of the UK has benefited from large investments in culture and the creation of several new flagship cultural infrastructures (Bailey et al., 2004), and typically represents the characteristics of a declining post-industrial region<sup>1</sup>. In Newcastle-Gateshead and the North East the new emphasis and attention towards the creative economy can be linked to a long process of cultural regeneration in the region. This process started in the late 1990s when the region was able to attract large public investments in order to revitalise the local economy and to develop local participation in arts activities are widely acknowledged (Bailey et al., 2004). These investments enabled the creation of large publicly funded cultural infrastructures, not only in contemporary art (The Baltic) and music (The Sage Gateshead) but also in theatres (refurbishments of the Northern Stage, Theatre Royal and Live Theatre), crafts (National Glass Centre, expansion of the Shipley Gallery), literature (Seven Stories), dance (Dance City) and other important events. AS such, the region and specifically Newcastle-Gateshead are considered to have benefited from a 'brain gain' (Minton, 2003) and have been labelled by the press as a rising 'creative city'<sup>2</sup>.

It is important to consider the role and scale of activities surrounding the cultural investment in Newcastle-Gateshead as they are embedded in urban, local, regional, national and even international funding and initiatives that have promoted local cultural regeneration as key to local economic development. In particular, from a cultural policy perspective, Bailey et al. (2004) and Vall (2011) highlight the long-term investment of key cultural organisations and individuals in developing the cultural offer and provision in the

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<sup>1</sup>In the de-industrialisation phase, the North East region was affected by a deep economic recession, led to which a thirty-year decline, bringing the region to the top of the national measure of unemployment and population loss. As Minton (2003) reports in the 70s almost 50% of the male population was employed in the four sector of the local heavy industry: shipbuilding, mining, mechanical and engineering. Today the same index does not reach 3%.

<sup>2</sup>Newsweek Atlantic Edition on 2nd September 2002 wrote "Newcastle-Gateshead listed as one of the world's eight most creative cities"

region. The establishment of the Newcastle-Gateshead Initiative, that has remained the long-term legacy of the unsuccessful bid to the European Capital of Culture title in 2008 (won by Liverpool) has enabled the cultural partnership of the largest conurbation of the region, to create an ambitious programme of cultural events and programme. Alongside the cultural regeneration of the region, The Regional Development Agency, ONE North East<sup>3</sup> and local authorities and support agencies have been particularly interested at the potential economic impact of the creative economy locally and regionally (CURDS, 2001; ONE North East, 2007). This enabled the development of large framework for support of creative practitioners and cultural producers in the region (Benneworth, 2002; Minton, 2003). Therefore, it needs to be acknowledged that alongside the establishment of the named cultural flagship developments, one of the emerging patterns of support to the local creative economy has been the development of more or less sectorial networks and organization supporting people in the creative sector.

The development of these networks - sometimes formal and institutional, other times artist-led and more informal - represents an interesting emerging phenomenon (as reported by Comunian 2012). It is, however, interesting to notice that in the account of how these networks bridge across public and not-for-profit sectors with the creative economy, Comunian (2011, 2012) does not explore or consider the role of major cultural institutions in the region but rather focuses on informal networks (bottom-up) or formal networks (top-down) initiated by the public support sector (i.e. Arts Council or City Council type of bodies).

This paper therefore addresses the following research question: 'what are the perceptions of creative industry practitioners of the impact of flagship cultural projects 1) on the image of the locale and their work 2) on their career or professional practice 3) on the development of a local cultural ecosystem?'.

## *Methodology*

The research consisted of two years of fieldwork in the North-East of England between 2004 and 2006, arriving to Newcastle-Gateshead just after the opening of the latest flagship project (The Sage Gateshead) and the announcement of the awarding of the European Capital of Culture for 2008 to the rival Liverpool. During the period, alongside ethnographic observation and mapping the development of networks across local creative practitioners, the researcher conducted qualitative interviews with a sample of practitioners from local cultural and creative industries, as well as policy makers. The sample included a selection of individuals belonging to the creative economy of the North-East willing to take part in the research. The

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<sup>3</sup> One North East, as all the other local development agencies in the UK ceased to operate in 2012 following the restructuring of governance and funding following the defeat of New Labour in the general UK election in 2010 (<http://www.onenortheastlegacy.co.uk>)

researcher adopted the DCMS<sup>4</sup> (1998) definition of the creative industries in order to identify sectors and jobs to include in the research sample. With these broader sectors, the names of the individuals and companies were selected from the yellow pages, other business directories and listing magazines, as well as individuals involved in public policy activities and initiatives in the sector. Overall, around 400 individuals were contacted via e-mail or telephone and invited to take part in the research. The positive responses allowed a sample of 136 individuals<sup>5</sup> to be interviewed between September 2005 and April 2006<sup>6</sup>, covering different sub-sectors of the creative and cultural industries and spacing from directors of private companies, to sole traders, from policy makers to not for profit cultural sector managers. In contrast with Holden's (2007) approach of selecting case studies across a variety of public sector interventions across the UK, our methodology is grounded in a specific regional case study, providing a more nuanced and specific view of the nature of relation and interconnections that can be present between publically funded cultural organisations and the creative industries in a local economy.

### *Cultural regeneration: from 'brand' to 'window dressing'*

As Holden (2007) highlights - but also in connections with broader arguments presented in the literature (Chapain & Comunian, 2009; Florida, 2003; Richards & Wilson, 2004) - the investment in cultural flagship projects is often perceived as generating a new and positive image for a place or city. This is particularly strong for places like Newcastle-Gateshead and the North-East region of UK which had previously suffered

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<sup>4</sup> The DCMS (1998) identified the following sectors as part of the creative industries: Advertising, Architecture, Arts and antique markets, Crafts, Design, Designer Fashion, Film, video and photography, Software, computer games and electronic publishing, Music, Visual and performing arts, Publishing, Radio & Television. It was important in the sample selection that individuals would belong to these sectors or jobs as these sectors were being promoted in local policy initiative and interventions (see for example the Culture Venture initiative promoted by the local Arts Council North-East).

<sup>5</sup> The list of people contacted was built using public online and paper listings; individual and companies who had taken part in activities funded by the Newcastle-Gateshead Initiative, local authorities and the Arts Council North East. Further contacts were acquired through snowballing asking for names and recommendations from people who took part in the project. The 136 people interviewed included 36 individuals working in the public and education sector, and 100 individuals working the private or not for profit sector or as freelancer. The data used here focus specifically on the latter, as the focus is the relationship between these private or independent creative companies or individuals and the larger cultural investments undertaken by the region. The sectors represented were Architecture (3) creative industries support organizations (4) craft and makers (6) design (6) glass-artist (7) media, film and TV (9) music (7) new media (6) performing arts (11) photography (7) visual arts (21) writing and publishing (12).

<sup>6</sup> The data were collected as part of a broader PhD research project looking at the links between creative industries and cultural regeneration in the context of Newcastle-Gateshead and the North-East, conducted between September 2005 and April 2006. While they provide an historical quasi-reflective perspective on the issue, the researchers feel that the value of this reflection is better placed in historical terms, particularly as cultural-led regeneration and investments were taking place when the data were being collected and the negative views expressed by some respondents might have had a negative impact on the local understanding of cultural developments. However, considering the consequent impact of recession and the funding of investments towards arts and cultural infrastructure after 2007, it seems interesting and timely now to go back to these policy discourses with a broader historical view on the investments and their perceived impact.

from a negative image in relation to industrial, social and economic decline. Our finding supports some of the key arguments around the value of these investments in the creative ecology (and attractiveness) of a place. Many of the artists and creative practitioners interviewed highlight the advantage of this type of investments both in terms of creating a new image for the region (Bailey et al., 2004) and a buzz around culture and creativity (Minton, 2003). The quotes presented here are examples of a range of positive views that practitioners expressed in relation to the new image of the region

*there is a very vibrant creative sector and a very vibrant creative culture here. Since Gateshead built the Angel of the North there is a much more open minded approach (Performing arts manager)*  
*It has opened people up, it's, if you like, it has put the region, the North East, culturally on the map, you know, we've got a world class gallery on our door steps now. We didn't have that before (Director, commercial art gallery).*

The 'buzz' is not only connected with a more open-minded approach but also to a more formal statement from policy makers about the value of arts and culture for the region;

*the way Gateshead has been commissioning public art has been very significant and important. The whole bid for the capital of culture was really important in creating a 'buzz', the investment and the regeneration, I love the Angel, this buzz has made it less difficult to come here because I see the attention at the public level and they want people to be more aware of art (glass artists)*

Contrasting with these positive views, some issues were raised during the interviews about the extent to which these aesthetic changes impact on the actual creativity (and productivity of the region) and whether the region can successfully emerge with this new image on a national landscape. For example, one interviewee, a designer based in North Shields, stated how she used to get asked by customers on the phone which area of London she was based in, because of the 'bizarre' postcode. Similarly for this manager in the media sector, flagship cultural investments do not impact deeply in the sector.

*these cultural assets are the kinds of things that make frankly for good window dressing. And it says this is the kind of place that I can live in [...] and people like to be around that kind of stuff. Just like they want to be around beauty, it's good to have. It doesn't make factories go faster or it doesn't make computer games easier to program. (Manager, Public Sector Media Support Organisation)*

Image boost aside, it seems that there is no particular attention or specific initiative that aims to link the establishment of new flagship development with creating value and opportunities for the local creative economy. Increased appeal and new image of certain areas of a city, is also responsible for pushing the prices of real estate and tend to gentrify areas and push smaller cultural producers out. However, as this creative sector support manager highlights the 'gentrification' does not only happen in the built environment, also mentally people are forced to associate culture with 'great shiny building', downgrading the value culture that is produced in less glamorous contexts

*Sometime if you are not a great shiny building, or if you do not want to build any shiny building, sometime you can be left behind, my worries is that then the public starts to consider culture just as the big shiny buildings ... there are fantastic things happening in pubs, there are fantastic things happening in workshops, in the middle of nowhere, there is some great work which is not seen by the public, which should be seen by the public (creative sector support manager)*

### *Cultural flagship projects, funding and careers*

Holden (2007) presents a positive image of the continuum between public and private in the cultural world and the positive exchange / experimentation taking place between the two in reference to business model. However, the different management styles and the different way public, private and not-for-profit cultural producers can access support and funding can often put them in competition (rather than facilitating cooperation). Many local artists and gallery owners for example considered quite problematic the extensive funding being allocated to the new Contemporary art gallery BALTIC in relation to efficiency and management of funding for arts and artists. The gallery owner interviewed highlights the commercial nature of the public gallery and therefore the issue of fairness and competition within the sector

*I think it is great for the art work they show [...] but I am so angry about the waste, if you knew how much is wasted it is disgraceful [...] they should not be allowed to get away with it. It is not just about the art work, that's is also about how it is managed and run and how much it is wasted, and they are also commercial, they do make money from artists, they are commercial as well (artists and commercial art gallery)*

Similarly, another interviewee highlighted that exchange between new cultural developments and a local producer is often precluded by the lack of regional focus of new emerging institutions which are trying to establish themselves in a global and international scene of cultural production.

*The Baltic really, tends to take a lot of regional money, but don't really invest in local people. The careers structures that they promulgate tend to be London bound, but the fact that we have the Baltic here, it's a question of how it is managed, what role it is expected to play [...] they haven't been focused regionally, London is the model, here are the stars we have to work with [...] it's not really thought through, that role of encouraging and developing local artists (artist and university lecturer)*

The issue about representation and whether an institution like the Baltic need to have a role also in the development of the local artists and generally the contemporary art economy of the city and region was strongly felt by local actors as the new institution tap into the regional and local funding for culture and therefore attracts large amount of funding in those terms.

*I think Baltic is kind of this great resource that we've got, but it's not, it's kind of not functioning regionally; artists aren't trying a connection with Baltic, and Baltic's not really helping artists in the region. [...] I think there's a lot of artists feel it's off limits, I don't know what's to be done (Director, commercial art gallery).*

### *Supporting the local cultural eco-system?*

The contradictions highlighted are not limited to the funding allocation given to new flagship institutions but also to the gap between the presence of new cultural institutions and new cultural investments and the opportunities that these organisations would bring to the local eco-system of cultural producers. The argument for symbiosis and positive reinforcement of Holden (2007) are strongly contested. As this visual artist suggests

*there are a number of other galleries springing up and around Newcastle, but they do not benefit in the same way as some of the London galleries are from the Tate; [...] kind of indirectly benefit from having the Tate on their doorstep, and they have artists in the Tate. The Tate is this kind of massive portal, if you like, on the world; dealers, collectors, curators, kind of, look at what's happening, and the businesses benefit; there's not the same symbiosis here (visual artist)*

The presence of cultural institutions supports a broader ecology like in the case of this magazine editor, and with some outsourcing made available for local creative industries (mostly in advertising and design) but the budget is not always stable and they are often short contracts, furthermore it is highlighted that even this kind of public sector organisation can go bust and therefore impact on income streams.

*something like the Sage is doing more advertising that what Northern Sinfonia and Folkworks did before, the Baltic, so the growth has been quite big, and has made a difference, but we do not rely on only one sector [...] When you are looking at public investment, the focus on big capital investment and buildings, for example we have suffered twice from the ARC in Stockton as it went bust twice (Editor, listing magazine)*

While as Holden states cultural flagship developments can provide contracts and support the broader ecology this is not always the case and not many public sector cultural organisations see creative industries as stakeholders in this eco-system. For example a local editor mentioned the difficulty to get through to these organisations

*I have been really unsuccessful in trying to get them to try and engage with us, even though they sell children's books they don't answer emails, they don't reply to letters etc. there are 5 people in that shop that's twice the size of my office, if they cant answer a letter what are these people doing (editor and publisher, childrens book)*

Furthermore a few local cultural producers highlighted that even opportunities to get commissioned work were often very limited. Many for instance mentioned that the Culture 10<sup>7</sup> programme often tended to employ international artists and cultural producers from outside the regions, therefore limiting the impact on the local creative economy and its growth.

*The other major funding thing is the Culture 10 programme. And I have a specific issue around that: they don't go far enough in using their own indigenous creatives to help support that programme. I know of a few occasions where they've used agencies and people from outside of the region to manage large scale projects within the region and I think that's particularly bad and they need to go a lot further in helping support their own creative industries. (Manager, Support agency)*

### *Flagship cultural infrastructure: enhancing local networks?*

In the arguments of Holden (2007) one of the major role played by publically funded cultural institutions is the one of becoming local hubs for creative and cultural industries networks. Of course the public nature of these institutions offer opportunities for artists and creative practitioners to socialise. However, Holden's (2007) view seems to be naive as it assumes that these spaces offer a neutral landscape for networking, which would need to be considered case by case. From the interviews with glass artists (in reference to the National Glass Centre in Sunderland) and visual artists (in reference to the Baltic), these spaces are not considered particularly key in their networking / socialising practice.

*We don't want an enormous building. I don't think of the National Glass Centre as somewhere I can go, I'm interested in going there and seeing some of the exhibitions but it's not my hub. I think if you have connections with the university, or a studio there or something like that. But it's not somewhere I particularly go (glass artist)*

In fact, as previous research suggests (Comunian, 2012) spaces for the networking tend to be usually very informal and social within the local creative and cultural producers and formal networking does not sit comfortably with the sector. Furthermore, as suggested by other authors (Kong, 2005; Wittel, 2001) networks are not always positive and can give rise to cliques and exclusion dynamics (Grabher & Ibert, 2005; Vorley, Mould, & Courtney, 2012)

*they run talk and seminar for local artists, that side is great, that inside bit, listening to artists, that's very important, but I think there is a strong element of who you know, there is a little group that would network there, it is always the same people, I do not like that, it is a bit like incestuous to me*

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<sup>7</sup>Culture 10 (Culture at the power of 10) is a legacy of the bid for European Capital of Culture undertaken by Newcastle-Gateshead. The partners who supported the bid aimed to keep together funding and willingness to make Newcastle-Gateshead a city of cultural events. Therefore they established Culture 10 an agency and programme aiming to attract outside visitors to the region through events and initiatives.



*and I just stay away, there is a network of artists and organisation and they just stick together and that give them the force and power they have and they do not allowed anyone else in (visual artist)*

*Positive externalities: for all or for a few?*

The policy literature often highlights the positive externalities of investments in new flagship cultural infrastructure for a city. There is very little reflection on the possible negative impact that these investments can also generate. In particular, it is assumed that positive externalities and positive visitors' numbers trickle down to a variety of sectors and organisations, but this is not always the case. As this designer suggests while visitors are attracted to new highly visible flagship cultural projects, there is very little connection with smaller workshops and cultural producers.

*I think they are doing a really good job of art and The Biscuits Factory is doing incredibly well apparently and The Baltic are doing really well in terms of numbers of visitors but I don't think small creative shops like this or individual workshops are doing fantastically (interior designer)*

Furthermore, if we zoom and consider the impact of these investments on a broader regional scale, there is uneven access to these cultural opportunities and there is a concentration of cultural investment in one specific area. This might deprive or create a vacuum in surrounding contexts as highlighted by this glass maker from North Tyneside

*If you think about Newcastle Gateshead Initiative and Baltic, there is lot of noise and lot of focus but I think it is very local to Newcastle Gateshead, that's why their sucking everyone in, because there are very active and they have a vision, but there are other local authorities which do not share this vision, so the scene in North Tyneside and Northumberland can be very different. (Glassmaker)*

## **Conclusions: the weakest link**

The results highlight the existence of a structural gap between the public interventions and specifically the new flagship cultural institutions created and the local creative economy base. This gap is felt differently by local practitioners in relation to their activities and career status, nevertheless, there is an overall impression that the dynamics of collaboration and reciprocal support are all potentially there, but there are only a few examples of this actually taking place. Thinking about the disconnection between the creative industries and the local cultural regeneration can help us to deconstruct a rhetoric discourse about what these investments can do for local creative economies. Rather than assuming that large cultural investments and cultural titles help local creative industries (Holden, 2007), it is important to consider what kind of benefits they can provide and verify and evaluate that these benefits are experienced.

There are a variety of lessons to be learnt from this case study, particularly from a policy perspective. In the UK public investment in arts and culture has been promoted as impacting on local creative economy but has often ignored the potential and possible links with the broader creative industries and creative economy. As public funding for arts and culture are being cut during the recession, more public sector arts organisation are moving towards adopting new entrepreneurial approaches (Bolton & Cooper, 2001) and this might bring public arts and culture closer to the creative industries. Also in the European context, when a strong policy framework define and distinguish public arts and culture from the commercial creative sector, we see a convergence on valuing arts and culture as a cohesive sector, with specific emphasis on the employment argument previous presented (EC, 2012). While the data presented are context-specific and refer to a policy period of investment in cultural infrastructure in the UK which is now over (Newbigin, 2011), the findings provide a timely reflection in the international context where UK culture-led regeneration and creative industries discourses have been promoted and copied widely (Foord, 2009; Prince, 2010; Yue, 2006). The paper has highlighted how the mainstream literature on creative economy tends to focus on formal, mega-projects and one-time events, and tend to miss the everyday and in particular the contribution of artists and entrepreneurs, despite their continuous contribution (we often little economic rewards). This issue needs to be considered not only from an ethical perspective but also in relation to the discourse of investment and creative production: local creative economies could be better supported if a better understanding of their practice in relation to capital investments was available<sup>8</sup>.

Of course there is a question of value behind many of the arguments of this paper: should publically supported new cultural developments engage in supporting their local (private) creative economy and local producers? It can be argued that for many of these new flagship cultural developments local creative industries are not relevant or important stakeholders – especially when the pressure is for engagement with many more stakeholders (schools, community, disadvantaged groups, policy makers etc). However, policy discourse has been using the argument of impact on the cultural and creative economy as a key driver to attract funding towards these investments (Campbell, 2012) and more research needs to be done to provide evidences to support these arguments. It is important that the cultural city places attention on culture with the capital C but also on the smaller creative and cultural producers that work in the city. The case study underlines some of the limits in the way that public policy understands of the creative industries and their relation with cities and regeneration. It shows that often regeneration and flagship cultural investment acts in creating an international image and profile for a city and can have positive return in

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<sup>8</sup> We thank one of the anonymous reviewers of the article for highlighting this additional dimension.

exporting this image, however this is often done at the expenses of local actors who are not able to benefit from this new infrastructure.

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